PART 4

SUMMARY AND CONCLUSIONS ON JOINT IMPLEMENTATION:

MAKING IT WORK

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Global and transboundary environmental problems demand the cooperation of nations in the development of international policies. The adverse effects of climate change due to the increasing concentration of man-made greenhouse gases (GHG) in the earth's atmosphere form an example of a global environmental problem where such cooperation is beginning to take shape. The United Nations Framework Convention on Climate Change (FCCC), concluded in 1992, presents a valuable instrument for cooperation; it is a first step and should be developed and refined by the Parties in further negotiation.

The ultimate objective of the Convention is the stabilization of GHG concentrations in the atmosphere at a level that will prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner (FCCC, Art. 2). One of the principles of the Convention states that policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible cost. To achieve this the Convention explicitly provides that efforts may be carried out cooperatively by interested Parties (FCCC, Art. 3). Accordingly, Article 4.2(a) states that certain Parties "may implement (...) policies and measures jointly with other Parties and may assist other Parties in contributing to the achievement of the objective of the Convention and, in particular, that of this subparagraph..."1

The principal reason for this emphasis on joint implementation by two or more countries is that it can enhance the cost-effectiveness of these policies and measures, particularly where the marginal costs of response strategies differs in those countries. Recognizing the enormous size of the global effort needed to attain the objective of the Convention, one should be careful to get the best effect of his investments in response strategies. Otherwise limited resources in the global response effort could be wasted. Given the substantial differences from country to country in marginal costs of response strategies, there is ample scope for mechanisms which globally direct investments to their most cost-effective uses.

However, joint implementation has also aroused considerable concern. Some critics have argued that joint implementation would present developed countries, which have caused the major part of the GHG problem, with an opportunity to "buy their way out" of their responsibilities. Instead of adjusting their fossil-energy-based, wasting lifestyles they would saddle up developing countries with the burden of adjustment and that would endanger their prospects of development. The fear has also been expressed that joint implementation could lead to projects which, for various reasons, do not produce real global emission reductions. These criticisms should be taken seriously in designing a balanced joint implementation framework, which must be in the interest of all.

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1 Emphasis added, Article 4 obliges industrialized countries to take steps designed to return by the year 2000 to their 1990 levels of GHG emissions.